

H.R. ____ : Affordable CO-OP (Collective Opportunities for Owning Property) Act
Rep. Jamaal Bowman, D-NY

Section 1. Short Title: This Act may be cited as the “Affordable CO-OP (Collective Opportunities for Owning Property) Act of 2022”.

Section 2. Findings:

- Outlines background and data on limited equity cooperative housing and their importance. Explains that limited equity cooperative housing stems from the premise that housing should provide shelter, not a speculative opportunity. States that limited equity cooperatives make affordable homeownership a reality while fostering community and allows for community governance among shareholders.
- Discusses the largest limited equity housing cooperative in the nation, Co-op City, located in the Bronx, New York. States that this community can serve as a model for the nation on how to build and sustain shared equity housing models. Also highlights that limited equity housing cooperatives can come in a range of building types.
- Emphasizes the need for further federal support for limited equity cooperatives.

Section 3. Increased Production of New Limited Equity Cooperatives

- Appropriates such sums necessary for HUD to offer direct, zero-interest loans to non-profit or public sector entities for the development or rehabilitation of buildings into limited equity cooperatives. Reserves 20% of loans for deeply affordable LECs. Conditions for receiving these direct loans from HUD include minimizing evictions; no discrimination; ensuring that unit and building design supports the needs of older residents and residents with disabilities; and that building design supports climate resilience. Requires development to comply under the Davis Bacon Act.
- Amends the HUD 213 program to provide the Secretary with discretion to waive certain requirements for limited equity cooperatives to minimize barriers to developing and financing of limited equity cooperatives

Section 4. Limited Equity Cooperative Community Fund Grant Program

- Authorizes \$1 billion for an “Affordable Cooperative Community Fund Grant Program ” for limited equity cooperatives. States receive funds, and then can award sub-grants to limited equity cooperative boards and community organizations.
- Eligible uses include green retrofits, rehabilitation, community development, democratic governance initiatives, resident programming, and health-related initiatives.
- Funds used for improving the physical condition of limited cooperative housing properties should support a just transition away from fossil fuel energy consumption and mitigate against climate change threats.

- Entities receiving funding through this grant are encouraged to work with cooperative businesses for service delivery to the greatest extent possible.

Section 5. Weatherization

- Directs HUD and DOE to identify multi-family limited equity cooperatives that are eligible for the Weatherization Assistance Program and help states support weatherization efforts within these developments.

Section 6. Disaster Relief

- Ensures that cooperatives are eligible for FEMA assistance after disasters and in the case of public health emergencies.

Section 6. Office of Shared Equity Housing

- Establishes an Office of Shared Equity Housing at HUD to support the development and sustainment of shared equity housing models, including cooperatives and land trusts
- This office is tasked with working with the Interagency Working Group on Cooperative Development, providing technical assistance, providing public information on the number and types of affordable cooperatives in the US, and supporting federal policies and programs related to the development and sustainment of permanently affordable shared equity housing models.

Section 7. Report

- Directs the Secretary of HUD to issue a report to Congress on the impact of loans and grants in this Act on limited equity cooperative development and preservation, and the role of current and historic federal programs in supporting the production or preservation of cooperatives, including the Project Based Section 8 program.

Section 8. Definitions

- Defines Limited Equity Cooperative as a shared equity affordable homeownership model in which residents purchase a share in a residential development and commit to resell their share at a price that maintains affordability at purchase and over the long term. Emphasizes cooperative governance structure. Residents of limited equity cooperatives have low to moderate incomes, or ALICE incomes (above the federal poverty line but cannot afford the cost of living in a particular county).
- Defines older adults as households with at least one member above the age of 62.